

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0103-02
Bill No.: Perfected SB 4
Subject: Motor Vehicles; Licenses-Motor Vehicles; Revenue Dept.
Type: Original
Date: March 17, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Highway Fund	(\$5705)	\$625	\$625
Anti-Terrorism Fund	\$2,083	\$2,500	\$2,500
Total Estimated Net Effect on <u>Other</u> State Funds	(\$3,622)	\$3,125	\$3,125

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$313	\$375	\$375

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation** and **Office of Administration** assume this legislation would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)- Division of Motor Vehicle and Drivers Bureau (DVSB)** assume this proposal could have fiscal impact on their agency.

The DVSB cannot determine the number of plates that will be issued as a result of this legislation. Therefore, the revenue impact is based on the issuance of 100 plates. If the volume of applications for this plate type substantially exceeds 100, the department could require additional appropriations. Income is generated from a \$15 plate fee and a \$25 contribution to the Anti-Terrorism fund.

ASSUMPTION (continued)

FY 04 (Ten months) Income

100 plates issued*\$15 plate fee	\$1,200
100 plates issued*\$25 contribution	\$2,083

FY 05 Income

100 plates issued*\$15 plate fee	\$1,500
100 plates issued*\$25 contribution	\$2,500

FY 06 Income

100 plates issued*\$15 plate fee	\$1,500
100 plates issued*\$25 contribution	\$2,500

According to the Missouri Constitution, the plate fee revenue is to be dispersed in the following manner:

State Road Fund	75%
Cities	15%
Counties	10%

DVSB notes that prior to last year specialty plates were developed, designed and provided to DOR by the Missouri Vocational Enterprises. The Missouri Vocational Enterprises recently contracted with a vendor to now provide all Missouri specialty plates. The costs will be shown for all specialty license plate bills accordingly.

This contract requires DOR to pay:

- \$250 new plate design set-up fee (if applicable)
- \$50 per modification for a new plate design (if applicable)
- \$80 per revision to existing plate designs (if applicable)
- \$4.50 per plate for freight shipping to DOR

DVSB assumes the cost associated with this proposal could include postage, envelopes, storage and form revisions.

ASSUMPTION (continued)

Officials with the **DOR- Information and Technology Bureau (ITB)** assume that implementing this proposal could require 180 hours of overtime programming to modify the special plate reservation program, the renewal pull program for fees and the Uniform Field Office System.

FY 04 (10 months) Cost

Form revisions and Envelopes	\$402
Plate design	\$250
Postage	\$796
Actual cost of Plates and Tabs	\$474
Programming Salaries	\$4,221
Storage at State Data Center	<u>\$500</u>
Total	\$6,643

FY 05 Cost

Storage at State Data Center	\$500
------------------------------	-------

FY 06 Cost

Storage at State Data Center	\$500
------------------------------	-------

To implement this legislation, DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

Officials with the **State Treasurer's Office (STO)** assume they could need an Accounting Analyst I with equipment and expenses to administer the 'Antiterrorism Fund' which could be created by this proposal. **Oversight** assumes that the STO could administer this fund with their current resources.

ASSUMPTION (continued)

Officials with the **Office of Homeland Security** were not available for a response. However, in response to a similar piece of legislation their agency assumed an unknown impact. **Oversight** assumes the office could have an increase in available funds due to the Anti-Terrorism Fund; however, no additional cost or income other than those mentioned by DOR would be anticipated.

This proposal could increase total state revenue through plate fees.

FISCAL IMPACT - State Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
HIGHWAY FUND			
<u>Income- Department of Revenue</u>			
Plate fees	<u>\$938</u>	<u>\$1,125</u>	<u>\$1,125</u>
<u>Cost- Department of Revenue</u>			
Forms, design and mailing	(\$1,448)	\$0	\$0
Programming salaries	(\$4,221)	\$0	\$0
Plates and tabs	(\$474)	\$0	\$0
Storage cost	<u>(\$500)</u>	<u>(\$500)</u>	<u>(\$500)</u>
Total <u>Cost-DOR</u>	<u>(\$6,643)</u>	<u>(\$500)</u>	<u>(\$500)</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$5,705)</u>	<u>\$625</u>	<u>\$625</u>
ANTI-TERRORISM FUND			
<u>Income</u>			
Plate Contribution	<u>\$2,083</u>	<u>\$2,500</u>	<u>\$2,500</u>
EFFECT ON ANTI-TERRORISM FUND	<u>\$2,083</u>	<u>\$2,500</u>	<u>\$2,500</u>

FISCAL IMPACT - Local Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
LOCAL FUNDS			
<u>Income-Cities</u>			
Plate Fees	<u>\$188</u>	<u>\$225</u>	<u>\$225</u>
<u>Income- Counties</u>			
Plate Fees	<u>\$125</u>	<u>\$150</u>	<u>\$150</u>
ESTIMATED NET EFFECT ON LOCAL FUNDS	<u>\$313</u>	<u>\$375</u>	<u>\$375</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

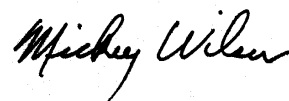
DESCRIPTION

This proposal would create a new "FIGHT TERRORISM." special license plate. This proposal would also create a "Antiterrorism Fund". The special plate fee is \$15 and a \$25 contribution per special plate would be deposited into the Anti-terrorism Fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration
Department of Transportation
Office of Homeland Security
State Treasurer's Office



L.R. No. 0103-02
Bill No. Perfected SB 4
Page 7 of 7
March 17, 2003

Mickey Wilson, CPA
Director
March 17, 2003